

Public Employee Retirement System

Agency Expenditure Summary

	FY1999		FY2000		FY2001	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
Administration	4,501,700	4,433,500	3,034,000	3,119,900	4,411,100	4,082,400
Portfolio Investment	480,900	260,800	482,000	446,100	517,600	496,300
401 K	5,100	5,100	5,100	5,100	7,700	7,600
Total	4,987,700	4,699,400	3,521,100	3,571,100	4,936,400	4,586,300
By Fund Source						
Dedicated	4,987,700	4,699,400	3,521,100	3,571,100	4,936,400	4,586,300
Total	4,987,700	4,699,400	3,521,100	3,571,100	4,936,400	4,586,300
By Object						
Personnel Costs	2,131,000	2,033,100	2,188,200	2,188,200	2,358,000	2,377,300
Operating Expenditures	2,815,600	2,584,800	1,307,800	1,357,800	2,498,200	2,131,000
Capital Outlay	41,100	81,500	25,100	25,100	80,200	78,000
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	4,987,700	4,699,400	3,521,100	3,571,100	4,936,400	4,586,300
FTP Positions	48.00	48.00	48.00	48.00	48.00	48.00

Budget Highlights

Retiree Medical Insurance Study - A supplemental for \$50,000 is recommended to investigate the options to fund medical insurance for current and future retirees of PERSI and would address legal concerns. Currently, state and school employees receive limited assistance with medical insurance premiums through the unused sick leave balance program. The Interim Committee is interested in the results of this study.

Disability Retirement Program – Recommend acquiring professional claims processing expertise to develop medical guidelines and improve assessment of disability retirement claims with independent medical professionals including specialists. The most reasonable approach is to contract with a third party who has the experience and staff resources available when needed to assess claims.

New Membership/Benefits IT System – The Galena project is approaching completion and several items are included in the budget to insure a fully functional system. This recommendation provides for full funding of data clean up to insure reliable and accurate data in the new computer system (\$180,000). Partial funding (\$90,000) is included for both an independent study to investigate the feasibility of technology; and development of an on-line policy and procedures database, which supports the new system. Funding for ongoing system maintenance and software support (\$300,000) is included. This is necessary to keep the new system updated and fully functional. Additional one-time maintenance (\$200,000) is included to provide the enhanced support needed in the first year.

Provides one-time funding for duplication of member records. Every five years a complete copy of all member records is made in accordance with the PERSI disaster recovery plan.

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Decision Unit Summary

Decision Unit	Agency Request			Governor's Recommendation		
	FTP	General	Total	FTP	General	Total
3.00 FY 2000 Original Appropriation	48.00	0	3,521,100	48.00	0	3,521,100
4.30 Supplemental	0.00	0	50,000	0.00	0	50,000
5.00 FY 2000 Total Appropriation	48.00	0	3,571,100	48.00	0	3,571,100
6.50 Transfer Between Programs	0.00	0	0	0.00	0	0
7.00 FY 2000 Estimated Expenditures	48.00	0	3,571,100	48.00	0	3,571,100
8.40 Removal of One-Time Expenditures	0.00	0	(75,100)	0.00	0	(75,100)
9.00 FY 2001 Base	48.00	0	3,496,000	48.00	0	3,496,000
10.10 Increased Cost of Benefits	0.00	0	29,800	0.00	0	29,800
10.20 Inflationary Adjustments	0.00	0	22,200	0.00	0	0
10.30 Replacement Items	0.00	0	78,000	0.00	0	78,000
10.40 Nonstandard Adjustments	0.00	0	5,700	0.00	0	5,700
10.50 Annualization	0.00	0	45,600	0.00	0	45,600
10.60 Change In Employee Compensation	0.00	0	20,500	0.00	0	71,800
11.00 FY 2001 Total Maintenance	48.00	0	3,697,800	48.00	0	3,726,900
Administration						
12.01 Disability Retirement Program Improve	0.00	0	131,500	0.00	0	131,500
12.02 New Membership/Benefits IT System F	0.00	0	430,000	0.00	0	270,000
12.03 New Membership/Benefits IT System F	0.00	0	500,000	0.00	0	400,000
12.04 Member records	0.00	0	20,400	0.00	0	20,400
12.05 Gains Sharing / H 510	0.00	0	0	0.00	0	0
12.06 Additional Personnel	0.00	0	0	0.00	0	0
12.07 Deputy Director	0.00	0	0	0.00	0	0
Portfolio Investment						
12.01 Group Position	0.00	0	58,000	0.00	0	35,000
401 K						
12.01 Additional Operating Expense	0.00	0	2,500	0.00	0	2,500
13.00 FY 2001 Total	48.00	0	4,840,200	48.00	0	4,586,300
Amount Change From Base	0.00	0	1,344,200	0.00	0	1,090,300
Percent Change From Base	0.00%	0.00%	38.45%	0.00%	0.00%	31.19%